



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

PRASAD LAKSHMINARASIMHIAH, MD

Respondent Name

SERVICE LLOYDS INSURANCE CO

MFDR Tracking Number

M4-16-3178-01

Carrier's Austin Representative

Box Number 01

MFDR Date Received

JUNE 16, 2016

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "I am requesting this review because Service Lloyds has underpaid our claims for CPT 64450. Service Lloyds has stated in there [sic] original denial that the claim was paid at 50% for multiple procedures, however this claim is for two different procedures CPT 64405 and CPT 64450. Per Medicare fee schedule for Ambulatory Surgery Center for Dallas locality for the date of service this CPT code 64450 allowed \$51.68 because this procedure was performed in an ambulatory surgery center this CPT code should have paid 235% of Medicare Fee Schedule for Dallas locality in the amount of \$121.45."

Amount in Dispute: \$60.72

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Corvel will maintain the requestor, Prasad Lakshminarasimhiah, MD is entitled to \$0.00 additional reimbursement for CPT code 64450 based on DWC adopted medical fee guidelines for professional services, Medicare payment policies and multiple procedure reduction guidelines in effect at the time services were provided."

Response Submitted by: Service Lloyds

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
July 9, 2015	CPT Code 64450	\$60.72	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.203, effective March 1, 2008, sets the reimbursement guidelines for professional service.
3. 28 Texas Administrative Code §134.402, effective September 1, 2008, sets the reimbursement guidelines for

ambulatory surgical care facility services.

4. The services in dispute were reduced/denied by the respondent with the following reason codes:
 - P12-Workers' compensation state fee schedule adj.
 - RD8-Multiple procedure/2nd procedure (50%).
 - W3-Appeal/Reconsideration
 - B13-Payment for service may have been previously paid.

Issues

1. What is the applicable fee schedule for the disputed services?
2. Is the requestor entitled to additional reimbursement for code 64450?

Findings

1. The requestor contends that additional reimbursement is due because "Per Medicare fee schedule for Ambulatory Surgery Center for Dallas locality for the date of service this CPT code 64450 allowed \$51.68 because this procedure was performed in an ambulatory surgery center this CPT code should have paid 235% of Medicare Fee Schedule for Dallas locality in the amount of \$121.45."

The respondent wrote "Prasad Lakshminarasimhiah, MD is entitled to \$0.00 additional reimbursement for CPT code 64450 based on DWC adopted medical fee guidelines for professional services."

28 Texas Administrative Code §134.402 (a)(1) states, "This section applies to facility services provided on or after September 1, 2008 by an ambulatory surgical center (ASC), other than professional medical services."

28 Texas Administrative Code §134.203(a)(1) states, "This section applies to professional medical services provided in the Texas workers' compensation system."

The requestor is Prasad Lakshminarasimhiah, MD. The NPI listed on the HCFA-1500 in box 24J titled *Rendering Provider ID#* is for Dr. Lakshminarasimhiah. Dr. Lakshminarasimhiah is not a facility. Therefore, based upon the submitted bill, the Division finds that the applicable fee schedule for the disputed service is found in 28 Texas Administrative Code §134.203.

2. According to the explanation of the respondent paid \$60.73 for CPT code 64450 based upon the fee guideline.

On the disputed date of service, the requestor billed codes 64405-RT, 64450-RT, A4550, J1030, J3490, J2704, J2001 and J2405.

28 Texas Administrative Code §134.203(a)(5) states, "Medicare payment policies" when used in this section, shall mean reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare."

28 Texas Administrative Code §134.203(b)(1) states, "For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following: (1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules."

The Division finds that CPT code 64450 has a multiple surgery payment indicator of "2". Multiple procedure payment indicator "2" designates that the multiple procedure reduction applies to the service. Per Medicare fee policy the highest surgical procedure is paid at 100% of the MAR and subsequent procedures that are not considered bundled or exempt from this policy are paid at 50%. In this case code 64405-RT is considered the primary procedure and 64450 is the secondary procedure.

Per 28 Texas Administrative Code §134.203(c)(1)(2), "To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications.

(1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32.

(2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year's conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year's conversion factors, and shall be effective January 1st of the new calendar year. The following hypothetical example illustrates this annual adjustment activity if the Division had been using this MEI annual percentage adjustment: The 2006 Division conversion factor of \$50.83 (with the exception of surgery) would have been multiplied by the 2007 MEI annual

percentage increase of 2.1 percent, resulting in the \$51.90 (with the exception of surgery) Division conversion factor in 2007.”

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Participating Amount = Maximum Allowable Reimbursement (MAR).

The 2015 DWC conversion factor for this service is 70.54.

The Medicare Conversion Factor is 35.9335

Review of Box 32 on the CMS-1500 the services were rendered in zip code 75093, which is located Plano, Texas; therefore, the Medicare participating amount is based on locality “Rest of Texas”.

The Medicare participating amount for code 64450 performed in a facility is \$45.22.

Using the above formula, the MAR is \$88.77; however, this code is subject to multiple procedure rule discounting = \$88.77 X 50% = \$44.38. The respondent paid \$60.73; therefore, additional reimbursement is not recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

Authorized Signature

Signature

Medical Fee Dispute Resolution Officer

07/18/2016

Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.